

FACT SHEET

Oil Shale – H.R. 3408 – PIONEERS Act

H.R. 3408 passed the House Natural Resources Committee with bipartisan support (vote 27 to 16) on February 1, 2012. PIONEERS Act is part of the Republican plan to expand access to American energy resources, grow our economy, and put people back to work.

The PIONEERS Act WILL:

- Create consistent, clear policies that businesses can rely on to move forward for investment of U.S. oil shale resources
- Create American jobs in research and development of oil shale

Why PIONEERS Act is needed:

- The U.S. Geological Service estimates the total U.S. oil shale resources to be six times Saudi Arabia's current proven oil reserves
- The Obama Administration has repeatedly delayed and hindered development of oil shale – at the expense of American jobs, our economy and energy.
 - On February 3, 2012, the Obama Administration released their plan to close over a million acres of federal land to oil shale development. The Obama Administration has a plan to lock-up U.S. energy resources and send jobs overseas. This is just one more example to add to the [ever-growing list](#) of Obama Administration actions that block U.S. energy production.

Congressional Budget Office – Fiscal impact of PIONEERS Act

The independent Congressional Budget Office (CBO) says the bill will not bring in any additional revenues to the federal treasury in the form of royalty payments. The CBO does not project revenues beyond a ten year period. Industry experts agree that oil shale is a long term investment and will not produce significant revenues in the form of royalties for at least ten years.

Royalty Payments under PIONEERS Act

The bill is on a graduated tiered system for increasing royalty rates. After the first 5 years of enactment, the royalty rates will increase by 1 percent each year until it reaches the rate of 12.5 percent, which is the royalty rate for traditional onshore oil and gas leases. This will bring in additional revenue to the treasury.

Statement from Congressman Doug Lamborn

“Oil Shale is one of the most promising new sources of American-made energy and the United States is fortunate to have an abundance of oil shale resources. These resources are an important component of America’s energy future. This bill removes the uncertainty from oil shale development and opens up land for both research and commercial development of oil shale. It contributes to our energy security, and creates good paying American jobs for thousands of Americans.”

Specifically, the PIONEERS Act:

- Directs the Secretary of the Interior to issue additional Research, Development & Demonstration (RD&D) leases within 180 days after enactment according to the lease terms published on January 15, 2009.
- Directs the Secretary of the Interior to issue at least 5 separate commercial lease sales by January 1, 2016.
- Makes permanent the Resource Management Plan amendments and commercial oil shale regulations published guidelines by the Department in November 2008 and apply them to all commercial leasing for the management of federally owned oil shale. This will provide regulatory certainty to companies looking to invest in oil shale.
- Requires the Secretary when practicable to encourage the use of U.S. workers and equipment in all construction related to energy and mineral development.

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